

Hearing Date: June 6, 2017 at 2:00 p.m. (prevailing Eastern Time)
Objection Deadline: May 30, 2017

McGUIREWOODS LLP
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Seventh Floor
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Attorneys for Aetna

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X

In re:

BROOKLYN EVENTS LLC
d/b/a VERBOTEN
Debtor.

Case No. 16-41371-cec
Chapter 7

-----X

**APPLICATION OF AETNA INC. FOR THE ALLOWANCE
OF ADMINISTRATIVE EXPENSE CLAIM**

Aetna Inc. (“Aetna”), by and through undersigned counsel, files this application (“Application”) for the allowance of Aetna’s Chapter 11 administrative expense claim in the amount of \$5,420.22, against Brooklyn Events, LLC (the “Debtor”), and in support of its Application, Aetna respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the relief requested is based on 11 U.S.C. § 503(b). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On March 31, 2016 (the “Petition Date”), the Debtor filed a voluntary petition seeking relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

3. On September 9, 2016, this Court entered an order converting the above-captioned case to a case under Chapter 7 of the Bankruptcy Code, effective October 4, 2016 (the “Conversion Date”).

4. Pursuant to an agreement between Aetna and the Debtor (the “Aetna Contract”), Aetna provided certain insurance products and services to or for the benefit of the Debtor prior to the Petition Date and continued to provide those services after the Petition Date and prior to the Conversion Date.

5. Aetna is currently due \$5,420.22 for insurance products and services provided to the Debtor after the Petition Date and prior to the Conversion Date.

6. A Declaration and statements reflecting the amounts due and payable to Aetna as an administrative claim are attached hereto as **Exhibit A**.

APPLICATION

7. Pursuant to Section 503(b)(1)(A) of the Bankruptcy Code, claims held by creditors for which the underlying consideration provided was an actual and necessary cost or expense to the debtor to preserve the estate are allowed as administrative expenses entitled to priority under Section 507(a)(1) of the Bankruptcy Code.

8. For a claim to be granted administrative expense priority, the claimant must establish that the debt: (i) arose from a transaction with the debtor-in-possession and (ii) directly and substantially benefited the estate. *See Einstein/Noah Bagel Corp. v. Smith (In re BCE West, L.P.)*, 319 F.3d 1166, 1172 (9th Cir. 2003).

9. Aetna's claim of \$5,420.22 is entitled to administrative expense priority. Aetna transacted directly with the Debtor after the Petition Date and prior to the Conversion Date to provide insurance products and services to the Debtor.

10. Further, the post-petition service provided by Aetna allowed the Debtor to continue its business operations and generate revenue for the benefit and preservation of the estate.

WHEREFORE, Aetna respectfully requests that this Court enter an order allowing a Chapter 11 administrative expense claim in the amount of \$5,420.22, and granting such other and further relief as this Court deems just and proper.

Dated: May 3, 2017.

Respectfully submitted,

/s/ Nathan Greenberg
Nathan Greenberg
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1345 Avenue of the Americas
7th Floor
New York, NY 10105-0106
(212) 548-2148 (telephone)
(212) 715-6293 (fax)
ngreenberg@mcguirewoods.com

-and-

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Chicago, Illinois 60601
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(312) 698-4537 (facsimile)
ashipley@mcguirewoods.com

Attorneys for Aetna

EXHIBIT A

McGUIREWOODS LLP
1345 Avenue of the Americas
Seventh Floor
New York, New York 10105
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Facsimile: (212) 715-6293
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Attorneys for Aetna

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

BROOKLYN EVENTS LLC
d/b/a VERBOTEN

Debtor.

Case No. 16-41371-cec
Chapter 7

-----X

I, Diana L. Morrison, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, and information and belief:

1. I am over 21 years old and have either personal knowledge of the facts stated herein, or make these statements based upon information and belief based on my knowledge from my: (1) review of business records reviewed in the ordinary course of my business; (2) review of the public records reviewed in the ordinary course of my business; and (3) review of documents and pleadings generated by my legal counsel.

2. I am employed by Aetna, Inc. as a financial consultant.

3. I understand that on March 31, 2016 (the “Petition Date”), Brooklyn Events, LLC (the “Debtor”) filed a voluntary petition seeking relief under Chapter 11 of Title 11 of the United States Code.

4. I further understand that effective October 4, 2016 (the “Conversion Date”), the above-captioned case was converted to a case under Chapter 7 of the Bankruptcy Code.

5. Pursuant to an agreement (the “Aetna Contract”) between Aetna, Inc. (“Aetna”) and Debtor, Aetna provided certain insurance products and services (the “Insurance”) to or for the benefit of Debtor (or Debtor’s employees) prior to the Petition Date and continued to provide those services after the Petition Date and prior to the Conversion Date.

6. Aetna’s records reflect that Aetna provided the Insurance subsequent to the Petition Date, including during the coverage periods of August 1, 2016, through October 1, 2016 (the “Unpaid Coverage Period”).

7. Aetna is currently owed \$5,420.22 (the “Unpaid Premium”) for the Insurance provided to the Debtor during the Unpaid Coverage Period.

8. A true and correct copy of statements reflecting the Unpaid Premium are attached hereto as Exhibit 1.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 3rd day of May 2017.

By /s/ Diana L. Morrison

EXHIBIT 1



Entered 05/03/17 11:17 AM

Case 1-16-41371-cec Filed 05/03/17

Doc 125

Case 1-16-41371-cec

Export / Print Invoice Report

Report Format:

PDF

Generated On:

09/02/2016 09:41:06 AM EDT

Account Name	BROOKLYN EVENTS LLC
Account Number/Bill Package	89283728 / 1001
Payment Due Date	08/01/2016
Balance	\$6,582.18
Invoice #	H3147113
Prepared Date	07/15/2016
Coverage Period	08/01/2016-08/31/2016
Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

This invoice is intended for informational use only. To ensure timely and accurate payment to your account, please pay online.		
View Financial Totals		
Opening Balance		\$7,848.00
Paid Date 07/06/16 Payment ID: 00000025273274		\$7,848.00
Total Payments Received Since Last Invoice		\$7,848.00
Current Inforce Charges		\$6,396.48
Retroactivity Charges		\$185.70
Current Admin/Other Adjustment Charges		\$0.00
Current Net Charges		\$6,582.18
AMOUNT DUE:		\$6,582.18
Important Please Read: The total amount is due on the first day of the monthly coverage period. If the total amount is not received by the end of the grace period, the contract will be terminated. You will be liable for the total amount due for all periods of coverage (including the grace period) unless you provide at least 30 days of advance written notice of your intent to terminate. If you have more than one invoice, you must pay each invoice separately or supply support detailing the amount to apply to each invoice. If you fail to supply this support your payment will be applied proportionately to each invoice for that month. If the total amount due for all invoices is not received, you may be in arrears on all invoices, and subject to termination.		
NY State Mandate Disclosure: The cost of mental health benefits required by New York's "Timothy's Law" for small employers is subsidized by the State and is not included in your bill. For Aetna, these amounts are \$5.78 per member per month (PMPM) for HMO products and \$3.85 PMPM for PPO products. "Member" includes each covered employee, spouse and any other dependents.		



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Account Name BROOKLYN EVENTS LLC
Account Number/Bill Package 89283728 / 1001
Payment Due Date 08/01/2016
Balance \$6,582.18
Invoice # H3147113
Prepared Date 07/15/2016
Coverage Period 08/01/2016-08/31/2016
Triad E12B
Billing Questions Contact: 800-297-7145
Bill Package Name: BROOKLYN EVENTS LLC

View Summary					
CURRENT for this period					
PRODUCT	PLAN TYPE	FAMILY CODE	EMPLOYEES/LIVES	VOLUME	AMOUNT
Medical	OA EPO	EE	8	0	\$5,275.44
Medical	OA EPO	EE+Child(n)	1	0	\$1,121.04
Total Medical CURRENT AMOUNT:			9		\$6,396.48
Total CURRENT AMOUNT:			9		\$6,396.48



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Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

CURRENT INFORCE CHARGES								
LAST NAME	FIRST NAME	M.I.	EMPL ID	CATEGORY	FAMILY CODE	TOTAL	MED TYPE	MED AMOUNT
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43
					EE+Child(n)	\$1,121.04	025/090/106	\$1,121.04
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43
					EE	\$659.43	025/090/106	\$659.43



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Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

RETROACTIVITY									
LAST NAME	FIRST NAME	M.I.	EMPL ID	TRANS	EFF.DATE	MOS. IMP	TOTAL	MED TYPE	MED AMOUNT
			***_**-5481	Change	06/01/2016	2	\$185.70	025/090/106	\$185.70



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Coverage Period	08/01/2016-08/31/2016
Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

View Adjustments								
Change Reason	First Name	M.I.	Last Name	Old Amount	New Amount	Net Change	Empl Id	Comments



Case 1-16-41371-cec
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Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

OTHER CHARGES/FEES		
CURRENT ADMIN/OTHER ADJUSTMENTS	DATE	AMOUNT REMARKS

Your rights and obligations when your Aetna group plan terminates

In the event of policy termination, New York Law requires we tell you of your obligation to comply with NY Labor Law section 217 and NY Insurance Regulation 78. Under this law and regulation you must notify, in writing, each certificate holder (covered employee) resident in New York State who is insured under your group policy that the policy will end.

If Aetna should terminate your plan, you must take the following steps prior to your policy's intended termination date:

* Provide the enclosed notice, along with a cover letter saying when the plan will end, to each certificate holder **at least nine (9) days before the intended termination date**. The notice must be:

1) Hand-delivered at the certificate holder's workplace (e.g., you may include the notice in the employee's pay envelope).

OR

2) Mailed to the certificate holder's last known home address.

* Also, at least 9 days before the intended termination date, you must post a copy of any notice of intent to terminate your plan that you may receive from Aetna in a spot where employees are most likely to see it.

* Note that in accordance with the provisions of Labor Law, section 217(4), the above provisions and the notice requirement of Labor Law, section 271(3), shall not apply if, at least 10 days prior to the intended termination date, you:

1) Take any necessary steps to keep the policy in force.

2) Contract with another insurer to replace Aetna to provide similar coverage for the same certificate holders. You must file an affidavit with the Commissioner of Labor and Superintendent of Insurance to that effect.

(i) Affidavits filed with the Commissioner of Labor shall refer to Labor Law, section 217, and be addressed to:

Director of Labor Standards
 Department of Labor
 Agency Building 12
 State Office Building Campus
 Albany, NY 12240

(ii) Affidavits filed with the Superintendent of Insurance shall refer to Labor Law, section 217, and shall be addressed to:

Chief, Health Bureau
New York State Insurance Department
One Commerce Plaza
Albany, NY 12257

For more information

If you need assistance or have any questions about these requirements, please contact us at the telephone number on your billing statement.

As required by the New York Labor Law section 217 and New York Insurance Regulation 78, the enclosed member rights document is to be delivered to employees and posted at your place of employment whenever a notice is received from Aetna indicating intent to terminate your group policy.

Important Information for Aetna New York Group Health Plan Certificate Holders

This notice is to advise you and your dependents of the rights/benefits available under your group health plan should Aetna terminate the group health policy with your employer. Please review the available coverage descriptions below. Also note that you and your dependents will be responsible for all charges associated with services received after the termination date.

Extension of Benefits While Member is Receiving Inpatient Care - For Aetna HMO Plan members

If you are receiving inpatient care in a Hospital or Skilled Nursing Facility on the date when group coverage terminates, you may be covered only for the specific medical condition causing that confinement or for complications arising from the condition causing that confinement, until the earlier of:

1. the date of discharge from such inpatient stay;
2. determination by the HMO Medical Director in consultation with the attending Physician, that care in the Hospital or Skilled Nursing Facility is no longer Medically Necessary;
3. the date the contractual benefit limit has been reached;
4. the date the Member becomes covered for similar coverage from another health benefits plan; or
5. 12 months of coverage under this extension of benefits provision.

The extension of benefits shall not extend the time periods during which you may enroll for conversion coverage, expand the benefits for such coverage, nor waive the requirements concerning the payment of premium for such coverage.

Extension of Benefits - Total Disability - For Aetna HMO and PPO Plan members

You may be able to extend your health benefits if you are totally disabled when coverage under your certificate terminates, but with respect medical benefits, only as to the expenses incurred in connection with the injury or illness that caused the total disability **for up to 12 months from the date that your certificate terminates.**

"Totally disabled" means that because of an injury or illness:

- You are not able to work at your own occupation and you cannot work at any occupation for pay or profit.
- Your dependent is not able to engage in most normal activities of a healthy person of the same age and gender.

Extension of your benefits (other than Basic benefits) will end on the first to occur of:

- The date that is 12 months from the date that your certificate terminates, or
- The date that you or your dependent are no longer totally disabled, or
- The date any applicable benefit maximum or your Lifetime Maximum Benefit, if any, is reached.

Conversion from a Group to an Individual Plan - For Aetna HMO and PPO Plan members



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Filed 05/03/17 17:14
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If loss of coverage under your group health plan occurs and is not replaced with continuous or similar coverage by the Contract Holder, you may **within 45 days after termination of coverage** apply for an individual health plan (to be effective as of the date of such termination) without providing proof of good health. The conversion coverage will provide no less than what is then required by, and not benefits to the contrary to, any applicable law or regulation. However, the individual policy will not provide the same coverage as the former group plan offered by your employer. Certain benefits may not be available. You will be required to pay the associated premium costs for the coverage.

Further details about extension of benefits or conversion are contained in your group member certificate under the section **Termination of Coverage.**

For additional information, contact your employer or call the toll-free number on your member ID card.

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company and its affiliates (Aetna).
14.32.132.1-NY



Entered 05/03/17 11:17 AM

Filed 05/03/17 11:17 AM

Doc 125

Case 1:16-41371-cec

Export / Print Invoice Report

Report Format:

PDF

Generated On:

09/02/2016 09:46:17 AM EDT

Account Name	BROOKLYN EVENTS LLC
Account Number/Bill Package	89283728 / 1001
Payment Due Date	09/01/2016
Balance	\$5,420.22
Invoice #	H3347371
Prepared Date	08/15/2016
Coverage Period	09/01/2016-09/30/2016
Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

This invoice is intended for informational use only. To ensure timely and accurate payment to your account, please pay online.

View Financial Totals

Opening Balance	\$6,582.18
Paid Date 07/19/16 Payment ID: R0000002527327	(\$7,848.00)
Paid Date 08/03/16 Payment ID: 00000025787138	\$6,582.18
Paid Date 08/15/16 Payment ID: R0000002578713	(\$6,582.18)
Total Payments Received Since Last Invoice	(\$7,848.00)
Current Inforce Charges	\$2,544.87
Retroactivity Charges	(\$11,554.83)
Current Admin/Other Adjustment Charges	\$0.00
Current Net Charges	(\$9,009.96)
AMOUNT DUE:	\$5,420.22

Important Please Read: The total amount is due on the first day of the monthly coverage period. If the total amount is not received by the end of the grace period, the contract will be terminated. You will be liable for the total amount due for all periods of coverage (including the grace period) unless you provide at least 30 days of advance written notice of your intent to terminate. If you have more than one invoice, you must pay each invoice separately or supply support detailing the amount to apply to each invoice. If you fail to supply this support your payment will be applied proportionately to each invoice for that month. If the total amount due for all invoices is not received, you may be in arrears on all invoices, and subject to termination.

NY State Mandate Disclosure: The cost of mental health benefits required by New York's "Timothy's Law" for small employers is subsidized by the State and is not included in your bill. For Aetna, these amounts are \$5.78 per member per month (PMPM) for HMO products and \$3.85 PMPM for PPO products. "Member" includes each covered employee, spouse and any other dependents.



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Account Name BROOKLYN EVENTS LLC
Account Number/Bill Package 89283728 / 1001
Payment Due Date 09/01/2016
Balance \$5,420.22
Invoice # H3347371
Prepared Date 08/15/2016
Coverage Period 09/01/2016-09/30/2016
Triad E12B
Billing Questions Contact: 800-297-7145
Bill Package Name: BROOKLYN EVENTS LLC

View Summary					
CURRENT for this period					
PRODUCT	PLAN TYPE	FAMILY CODE	EMPLOYEES/LIVES	VOLUME	AMOUNT
Medical	OA EPO	EE	4	0	\$2,544.87
Total Medical CURRENT AMOUNT:			4		\$2,544.87
Total CURRENT AMOUNT:			4		\$2,544.87



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Coverage Period	09/01/2016-09/30/2016
Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

CURRENT INFORCE CHARGES								
LAST NAME	FIRST NAME	M.I.	EMPL ID	CATEGORY	FAMILY CODE	TOTAL	MED TYPE	MED AMOUNT
██████	██████		██████		EE	\$566.58	025/090/106	\$566.58
██████	██████		██████		EE	\$659.43	025/090/106	\$659.43
██████	██████	█	██████		EE	\$659.43	025/090/106	\$659.43
██████	██████		██████		EE	\$659.43	025/090/106	\$659.43



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Triad	E12B
Billing Questions Contact:	800-297-7145
Bill Package Name:	BROOKLYN EVENTS LLC

RETROACTIVITY									
LAST NAME	FIRST NAME	M.I.	EMPL ID	TRANS	EFF.DATE	MOS. IMP	TOTAL	MED TYPE	MED AMOUNT
				Terminated	05/31/2016	3	(\$1,978.29)	025/090/106	(\$1,978.29)
				Terminated	05/31/2016	3	(\$1,978.29)	025/090/106	(\$1,978.29)
				Terminated	05/31/2016	3	(\$1,978.29)	025/090/106	(\$1,978.29)
				Terminated	05/31/2016	3	(\$1,978.29)	025/090/106	(\$1,978.29)
				Terminated	05/31/2016	3	(\$1,978.29)	025/090/106	(\$1,978.29)
				Change	06/01/2016	3	(\$1,663.38)	025/090/106	(\$1,663.38)



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Entered 05/03/17 11:17 AM

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Coverage Period	09/01/2016-09/30/2016
Triad	E12B
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Bill Package Name:	BROOKLYN EVENTS LLC

View Adjustments								
Change Reason	First Name	M.I.	Last Name	Old Amount	New Amount	Net Change	Empl Id	Comments



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Bill Package Name:	BROOKLYN EVENTS LLC

OTHER CHARGES/FEES		
CURRENT ADMIN/OTHER ADJUSTMENTS	DATE	AMOUNT REMARKS

Your rights and obligations when your Aetna group plan terminates

In the event of policy termination, New York Law requires we tell you of your obligation to comply with NY Labor Law section 217 and NY Insurance Regulation 78. Under this law and regulation you must notify, in writing, each certificate holder (covered employee) resident in New York State who is insured under your group policy that the policy will end.

If Aetna should terminate your plan, you must take the following steps prior to your policy's intended termination date:

* Provide the enclosed notice, along with a cover letter saying when the plan will end, to each certificate holder **at least nine (9) days before the intended termination date**. The notice must be:

1) Hand-delivered at the certificate holder's workplace (e.g., you may include the notice in the employee's pay envelope).

OR

2) Mailed to the certificate holder's last known home address.

* Also, at least 9 days before the intended termination date, you must post a copy of any notice of intent to terminate your plan that you may receive from Aetna in a spot where employees are most likely to see it.

* Note that in accordance with the provisions of Labor Law, section 217(4), the above provisions and the notice requirement of Labor Law, section 271(3), shall not apply if, at least 10 days prior to the intended termination date, you:

1) Take any necessary steps to keep the policy in force.

2) Contract with another insurer to replace Aetna to provide similar coverage for the same certificate holders. You must file an affidavit with the Commissioner of Labor and Superintendent of Insurance to that effect.

(i) Affidavits filed with the Commissioner of Labor shall refer to Labor Law, section 217, and be addressed to:

Director of Labor Standards
 Department of Labor
 Agency Building 12
 State Office Building Campus
 Albany, NY 12240

(ii) Affidavits filed with the Superintendent of Insurance shall refer to Labor Law, section 217, and shall be addressed to:

Chief, Health Bureau
New York State Insurance Department
One Commerce Plaza
Albany, NY 12257

For more information

If you need assistance or have any questions about these requirements, please contact us at the telephone number on your billing statement.

As required by the New York Labor Law section 217 and New York Insurance Regulation 78, the enclosed member rights document is to be delivered to employees and posted at your place of employment whenever a notice is received from Aetna indicating intent to terminate your group policy.

Important Information for Aetna New York Group Health Plan Certificate Holders

This notice is to advise you and your dependents of the rights/benefits available under your group health plan should Aetna terminate the group health policy with your employer. Please review the available coverage descriptions below. Also note that you and your dependents will be responsible for all charges associated with services received after the termination date.

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If you are receiving inpatient care in a Hospital or Skilled Nursing Facility on the date when group coverage terminates, you may be covered only for the specific medical condition causing that confinement or for complications arising from the condition causing that confinement, until the earlier of:

1. the date of discharge from such inpatient stay;
2. determination by the HMO Medical Director in consultation with the attending Physician, that care in the Hospital or Skilled Nursing Facility is no longer Medically Necessary;
3. the date the contractual benefit limit has been reached;
4. the date the Member becomes covered for similar coverage from another health benefits plan; or
5. 12 months of coverage under this extension of benefits provision.

The extension of benefits shall not extend the time periods during which you may enroll for conversion coverage, expand the benefits for such coverage, nor waive the requirements concerning the payment of premium for such coverage.

Extension of Benefits - Total Disability - For Aetna HMO and PPO Plan members

You may be able to extend your health benefits if you are totally disabled when coverage under your certificate terminates, but with respect medical benefits, only as to the expenses incurred in connection with the injury or illness that caused the total disability **for up to 12 months from the date that your certificate terminates.**

"Totally disabled" means that because of an injury or illness:

- You are not able to work at your own occupation and you cannot work at any occupation for pay or profit.
- Your dependent is not able to engage in most normal activities of a healthy person of the same age and gender.

Extension of your benefits (other than Basic benefits) will end on the first to occur of:

- The date that is 12 months from the date that your certificate terminates, or
- The date that you or your dependent are no longer totally disabled, or
- The date any applicable benefit maximum or your Lifetime Maximum Benefit, if any, is reached.

Conversion from a Group to an Individual Plan - For Aetna HMO and PPO Plan members



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If loss of coverage under your group health plan occurs and is not replaced with continuous or similar coverage by the Contract Holder, you may **within 45 days after termination of coverage** apply for an individual health plan (to be effective as of the date of such termination) without providing proof of good health. The conversion coverage will provide no less than what is then required by, and not benefits to the contrary to, any applicable law or regulation. However, the individual policy will not provide the same coverage as the former group plan offered by your employer. Certain benefits may not be available. You will be required to pay the associated premium costs for the coverage.

Further details about extension of benefits or conversion are contained in your group member certificate under the section **Termination of Coverage.**

For additional information, contact your employer or call the toll-free number on your member ID card.

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